



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
MICHIGAN ADMINISTRATIVE HEARING SYSTEM
Christopher Seppanen
Executive Director

SHELLY EDGERTON
DIRECTOR

[REDACTED]
Date Mailed: October 12, 2016
MAHS Docket No.: 16-011058
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Christian Gardocki

HEARING DECISION

Following Petitioner's request for a hearing, this matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and 400.37; 7 CFR 273.15 to 273.18; 42 CFR 431.200 to 431.250; 45 CFR 99.1 to 99.33; and 45 CFR 205.10; and Mich Admin Code, R 792.11002. After due notice, an in-person hearing was held on September 2016, from Taylor, Michigan. Petitioner appeared and was unrepresented. The Michigan Department of Health and Human Services (MDHHS) was represented by [REDACTED], hearing facilitator.

ISSUE

The issue is whether MDHHS properly determined Petitioner's FAP eligibility.

FINDINGS OF FACT

The administrative law judge, based on the competent, material, and substantial evidence on the whole record, finds as material fact:

1. Petitioner was an ongoing FAP benefit recipient.
2. Petitioner was the only member of her FAP benefit group.
3. Petitioner received a monthly pension of [REDACTED]
4. Petitioner received ongoing gross RSDI benefits of [REDACTED]/month.
5. Petitioner's RSDI benefits were reduced by [REDACTED] for a Medicare Part B premium and [REDACTED] for Medicare Part D.

6. On [REDACTED], MDHHS determined Petitioner was eligible for [REDACTED] in FAP benefits for August 2016, in part, based on gross unearned income of [REDACTED]/month and countable medical expenses of [REDACTED] month.
7. On [REDACTED], MDHHS determined Petitioner was eligible for [REDACTED] in FAP benefits for September 2016, in part, based on gross income of [REDACTED]/month and countable medical expenses of [REDACTED]/month.
8. On [REDACTED] Petitioner verbally requested a hearing to dispute her FAP eligibility for August 2016 and September 2016.
9. On [REDACTED], MDHHS determined Petitioner was eligible for [REDACTED] in FAP benefits for September 2016, in part, based on gross income of [REDACTED]/month and countable medical expenses of [REDACTED]/month.

CONCLUSIONS OF LAW

The Food Assistance Program (FAP) [formerly known as the Food Stamp program] is established by the Food and Nutrition Act of 2008, as amended, 7 USC 2011 to 2036a and is implemented by the federal regulations contained in 7 CFR 273. MDHHS (formerly known as the Department of Human Services) administers FAP pursuant to MCL 400.10, the Social Welfare Act, MCL 400.1-.119b, and Mich Admin Code, R 400.3001-.3011. MDHHS policies are contained in the Bridges Administrative Manual (BAM), Bridges Eligibility Manual (BEM), and Reference Tables Manual (RFT).

On [REDACTED], Petitioner verbally requested a hearing to dispute determinations of FAP eligibility. Petitioner testified she intended to dispute FAP determinations for August 2016 and September 2016.

MDHHS presented a Notice of Case Action (Exhibit 1, pp. 1-4) dated [REDACTED]; the notice stated Petitioner was eligible to receive [REDACTED] in FAP benefits for August 2016. The notice also determined Petitioner's FAP eligibility for September 2016, however, it was not disputed MDHHS subsequently updated Petitioner's FAP eligibility for September 2016. MDHHS presented a Notice of Case Action (Exhibit 1, pp. 5-8) dated [REDACTED], [REDACTED] stating Petitioner was eligible to receive [REDACTED] in FAP benefits for September 2016. The [REDACTED] FAP determination for August 2016 and the [REDACTED] FAP benefit determination for September 2016 will be evaluated for their correctness.

MDHHS presented FAP budget pages for August 2016 (Exhibit 1, pp. 15-16) and September 2016 (Exhibit 1, pp. 17-18). During the hearing, Petitioner was asked about each budget factor; Petitioner's responses will be incorporated into the below analysis. BEM 556 details the procedures for determining FAP eligibility. The FAP determination begins with a consideration of the group's income. The analysis will begin with Petitioner's FAP eligibility for August 2016.

It was not disputed Petitioner received [REDACTED]/month in combined gross income from RSDI and a pension. Petitioner testimony implied MDHHS should have factored a smaller income because her RSDI benefits were reduced for Medicare premiums.

[For all programs,] Bridges [(the MDHHS database)] counts the gross RSDI benefit amount as unearned income. BEM 503 (July 2014), p. 28. Thus, MDHHS properly factored Petitioner's gross RSDI benefits in determining Petitioner's FAP eligibility. Petitioner's gross income is found to be [REDACTED]/month (rounding to nearest dollar).

[MDHHS] uses certain expenses to determine net income for FAP eligibility and benefit levels. BEM 554 (October 2015), p. 1. For groups without a senior (over 60 years old), disabled or disabled veteran (SDV) member, MDHHS considers the following expenses: child care, excess shelter (housing and utilities) up to a capped amount and court-ordered child support and arrearages paid to non-household members (see *Id.*). For groups containing SDV members, MDHHS also considers the medical expenses above [REDACTED] for each SDV group member(s) and an uncapped excess shelter expense. It was not disputed Petitioner was a SDV member.

Verified medical expenses for SDV groups, child support, and day care expenses are subtracted from a client's monthly countable income. Petitioner conceded not having day care or child support expenses. Petitioner disputed the factored medical expenses.

Petitioner testified she had monthly medical expenses for Medicare Part B ([REDACTED]), Medicare Part D ([REDACTED]), and [REDACTED] in various prescription copayments. The total medical expenses alleged by Petitioner was [REDACTED] (rounding up to nearest dollar). For August 2016, MDHHS factored Petitioner's medical expenses to be [REDACTED] (a more favorable amount for Petitioner). Thus, Petitioner cannot complain that MDHHS factored an improperly low amount of medical expenses.

For purposes of this decision, it will be found that MDHHS properly determined Petitioner's medical expenses to be [REDACTED]. Subtracting the expenses from Petitioner's gross income results in a running income total of [REDACTED].

Petitioner's FAP benefit group size justifies a standard deduction of [REDACTED] (see RFT 255). The standard deduction is given to all FAP benefit groups, though the amount varies based on the benefit group size. The standard deduction is subtracted from the countable monthly income to calculate the group's adjusted gross income. Petitioner's FAP group's adjusted gross income is found to be [REDACTED].

MDHHS factored [REDACTED] in monthly housing expenses. Petitioner's testimony conceded the amount to be correct.

MDHHS credited Petitioner with a utility standard of [REDACTED] (see RFT 255). The utility standard incorporates all utilities and is the maximum credit available. Petitioner's total shelter expenses are found to be [REDACTED].

MDHHS only credits FAP benefit groups with an “excess shelter” expense. The excess shelter expense is calculated by subtracting half of Petitioner’s adjusted gross income from Petitioner’s total shelter obligation. Petitioner’s excess shelter amount is found to be [REDACTED].

The FAP benefit group’s net income is determined by taking the group’s adjusted gross income and subtracting the allowable excess shelter expense. Petitioner’s FAP benefit group’s net income is found to be [REDACTED]. A chart listed in RFT 260 is used to determine the proper FAP benefit issuance. Based on Petitioner’s group size and net income Petitioner’s proper FAP benefit issuance for August 2016 is found to be [REDACTED], the same amount calculated by MDHHS.

The analysis for Petitioner’s FAP eligibility for September 2016 differs slightly. The only budget factor which changed was Petitioner’s medical expenses. It was not disputed that Petitioner had expenses for Medicare premiums totaling [REDACTED] (rounding to nearest dollar). MDHHS testimony indicated other medical expenses budgeted in previous months were improperly included and removed for Petitioner’s FAP eligibility for September 2016. MDHHS also implied that Petitioner was not entitled to additional budget credit of medical expenses because they were not reported by Petitioner.

MDHHS presented a Redetermination (Exhibit 1, pp. 9-14) signed by Petitioner on [REDACTED]. The document listed no medical expenses beyond Medicare premiums. Petitioner did not allege reporting additional medical expenses to MDHHS.

Clients must report changes in circumstance that potentially affect eligibility or benefit amount. BAM 105 (April 2015), p. 11. Based on Petitioner’s failure to report medical expenses beyond Medicare premiums, it is found Petitioner’s medical expenses for September 2016 totaled [REDACTED]. After applying a mandatory [REDACTED] copayment to medical expenses, Petitioner’s countable medical expenses are [REDACTED].

Based on the lesser medical expenses, Petitioner’s adjusted gross income for September 2016 is [REDACTED] and her excess shelter deduction decreases to [REDACTED] which results in a net income of [REDACTED]. Based on Petitioner’s group size and net income Petitioner’s proper FAP benefit issuance for September 2016 is found to be [REDACTED], the same amount calculated by MDHHS.

It should be noted that Petitioner testified she was responsible for paying life insurance, auto insurance, and renter’s insurance. None of the alleged expenses are countable expenses for FAP eligibility (see BEM 554).

DECISION AND ORDER

The administrative law judge, based upon the above findings of fact and conclusions of law, finds that MDHHS properly determined Petitioner to be eligible for ■■■ in FAP benefits for August 2016 and ■■■ in FAP benefits for September 2016. The actions taken by MDHHS are **AFFIRMED**.

CG/hw



Christian Gardocki
Administrative Law Judge
for Nick Lyon, Director
Department of Health and Human Services

NOTICE OF APPEAL: A party may appeal this Order in circuit court within 30 days of the receipt date. A copy of the circuit court appeal must be filed with the Michigan Administrative Hearing System (MAHS).

A party may request a rehearing or reconsideration of this Order if the request is received by MAHS within 30 days of the date the Order was issued. The party requesting a rehearing or reconsideration must provide the specific reasons for the request. MAHS will not review any response to a request for rehearing/reconsideration.

A written request may be mailed or faxed to MAHS. If submitted by fax, the written request must be faxed to (517) 335-6088; Attention: MAHS Rehearing/Reconsideration Request.

If submitted by mail, the written request must be addressed as follows:

Michigan Administrative Hearings
Reconsideration/Rehearing Request
P.O. Box 30639
Lansing, Michigan 48909-8139

DHHS

[REDACTED]

[REDACTED]

Petitioner

[REDACTED]